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TAGS: EALR, EFIN, ELAB, SA

SUBJECT: FOREIGN LABOR PROBLEMS AND DEVELOPMENTS IN SAUDI ARABIA'S
EASTERN PROVINCE

REF: JIDDA 5387 (NOTAL) DHAHRAN 0750 (NOTAL)

1. SUMMARY: FOREIGN LABOR FORCE IN EASTER PROVINCE CONTINUES
TO GROW AND WE ARE BEGINNING TO WITNESS INCREASING SAUDI CONCERN
OVER QUESTION. YEMENIS, AS IN WESTERN PART OF COUNTRY, ARE
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BECOMING LESS DOMINANAT FEATURE OF SAUDI FOREIGN WORKER

SCENE. GROWTH OF SUBCONTINENT CONTINGENT APPEARS TO BE DIMINISHING AS ITS COST/BENEFIT RATION BECOMES LESS ATTRACTIVE. KOREANS, WHILE REPECTED FOR THEIR INDUSTIOUSNESS, COME ACROSS TO SAUDIS AS TOO MILITARY IN CHARACTER AND WE EVEN HEAR EXPRESSIONS OF CONCERN THAT THEY MAY BE THREAT TO SAUDI SECURITY. END SUMMARY

2. FOLLOWING ARE FEW ADDED COMMENTS TO EMBTEL, OFFERED TO PROVIDE PERSPECTIVE OF SAUDI FOREIGN LABOR QUESTION AS VIEWED FROM THIS SIDE OF ARABIAN PENINSULA. SITUATION REGARDING YEMENI ELEMENT OF FOREIGN LABOR FORCE IN EASTERN PROVINCE IS MUCH THE SAME AS DESCRIBED IN REF EMBTEL EXCEPT THAT YEMENIS ARE FEWER IN NUMBERS. YEMENIS CONTINUE TO FORM BACKBONE OF WORKFORCE -- BUT THEIR NUMBERS APPEAR TO BE DECLINING SLOWLY AND THEIR PROPORTION OF SAUDI WORK FORCE IS DECREASING AS INDIANS, PAKISTANIS, FILIPINOS, AND KOREANS ARRIVE BY PLANE LOADS. 5,000 INDONESIANS ARE COMING (SEE REFTEL) BUT THEIR EMPLOYER EXPECTS TO SEE ONLY A FEW IN COUNTRY BY THE END OF 1976. THERE IS A SMALL CONTINGENT OF THAI (ABOUT 200) WHO HAVE SHOWN THEMSELVES TO BE HARDWORKING AND UNOBTRUSIVE.

3. AS THE EASTERN PROVINCE LOOKS MORE AND MORE TO EASTWARD FOR MEN TO FILL VACANT JOBS, FILIPINOS MAKE UP A SMALL -- NOW JUST A FEW HUNDRED -- BUT RAPIDLY GROWING SEGMENT OF THE FOREIGN WORK FORCE. THE FIRST ASHORE ARE DESCRIBED AS "FAIRLY ROUGH BUNCH OF BOYS." MIDDLE OF JULY THEIR EMPLOYER, AN AMERICAN CONTRACTOR, HAD WHAT AMOUNTED TO STRIKE ON HIS HANDS OVER QUALITY OF AMENITIES AND R&R ARRANGEMENTS. EARLIER THERE HAD BEEN ACTS OF ARSON WHICH COMPANY ATTRIBUTED TO FILIPINO EMPLOYEES. WHEN STRIKE OCCURED, COMPANY'S MANAGEMENT PANICKED, AND SITUATION, AT ONE POINT, LOOKED AS IF POLICE WOULD HAVE TO BE BROUGHT IN. MATTER WAS DEFUSED BY ARAMCO (CONTRACTOR IS WORKING ON ARAMCO HOUSING PROJECT) WHEN NINE RING-LEADERS WERE RETURNED HOME.

4. LARGEST GROUP OF FOREIGN LABORERS COME FROM SUBCONTINENT, BUT THE PAKISTANIS AND INDIANS (PARTICULARLY LATTER) ARE SLOWLY WEARING OUT THEIR WELCOME. RECENTLY THERE WAS DRIVE LAUNCHED TO CURTAIL THEIR CUSTOM OF SLEEPING ON STREETS AND WE HAVE REPORTS OF THEIR CREATING INCIDENTS INVOLVING WOMEN AND YOUNG CHILDREN (INCIDENTS WHICH ARE INVOLVING MANY NATIONALITIES, HAVE REACHED SUCH A POINT ON ARAMCO'S DHAHRAN CAMP THAT OIL COMPANY HAS STARTED FILM LIMITED OFFICIAL USE

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PROGRAM AIMED AT EDUCATING ARAMCONS AND THEIR FAMILIES OF POSSIBLE DANGERS THAT CAN LURK ON STREETS OF THEIR NEIGHBORHOODS). BIGGEST CONCERN REGARDING INDIANS AND PAKISTANIS IS THAT THEIR PRODUCTIVITY IS LOW (AND PRODUCTIVITY AMONG FESH DRAFTS OF CONSTRUCTION WORKERS IS LOWER STILL MEANWHILE THEIR SALARIES AND MAINTENANCE COST CLIMB AS INFLATIONARY TRENDS WORK THEIR WAY THROUGH SAUDI ECONOMY. SOME ELEMENTS OF SUBCONTINENT COMMUNITY HAVE SHOWN THEMSELVES TO BE

DEMANDING EMPLOYEES AND HAVE LEFT A BAD TASTE IN THE MOUTHS OF THEIR EMPLOYERS. FEELING AMONG MANY EMPLOYERS (ARAMCO'S EXECUTIVE SQT E HOLDS STRONG FEELINGS ON MATTER AND SOME SENIOR EXECUTIVES WOULD LIKE TO CUT BACK ON RECRUITMENT IN INDIA AND PAKISTAN) IS THAT WORKERS FROM INDIA AND PAKISTAN MAY NOT BE WORTH THEIR RISING COST. CONSEQUENTLY, MORE AND MORE THEY ARE BEING RECRUITED ONLY FOR MENIAL JOBS RATHER THAN FOR WORK AS CRAFTSMEN OR IN CLERICAL POSITIONS.

5. KOREAN WORKERS ARE CREATING DILEMMA HERE. THEY ARE BOTH ADMIRER FOR THEIR WORK ETHIC AND FEARED FOR THEIR STOIC MILITARY BEARING. BULK OF KOREANS FOUND IN COUNTRY ARE WORKING IN EASTERN PROVINCE AND NEARLY ALL ARE ON CONSTRUCTION PROJECTS. THEY WORK OUT OF CONSTRUCTION CAMPS THAT ARE NEAR MILITARY IN CHARACTER -- (STORIES ABOUND OF THEIR MILITARY WAYS). YET LOCAL CHICAGO BRIDGE AND IRON MANAGER, FLUOR CONSTRUCTION MANAGERS AND US CORPS OF ENGINEERS OFFICERS SPEAK GLOWINGLY OF THE CRAFTSMANSHIP AND PRODUCTIVITY OF KOREANS AT WORK ON THEIR PROJECTS. ONE FLUOR MANAGER NOTES THAT IN HIS WORK CAMP THE KOREANS, FOLLOWING ORDERS FROM THEIR SUPERVISORS, DISPERSE THEMSELVES IN TWO'S AND THREE'S AT DINING HALL TABLES TO MAKE THEMSELVES LESS CONSPICUOUS.

6. NEVERTHELESS, SAUDIS ON EASTERN SIDE OF COUNTRY EYE KOREANS WITH GROWING SUSPICION. THE ESTIMATE OF 8,000 KOREANS IN COUNTRY PROVIDED IN PARA 5 OF REF EMBTEL MAY BE ON LOW SIDE. WE CAN IDENTIFY NEARLY 4,000 ON TWO CONTRACTS (GAS GATHERING PROJECT AND JUBAIL NAVAL PORT) AND WE ESTIMATE CLOSE TO 4,000 OTHERS WORKING ON OTHER PROJECTS IN EASTERN PROVINCE. IN ANY CASE THE SAUDIS SEEM TO THINK THERE ARE TOO MANY KOREANS IN COUNTRY. WE UNDERSTAND FROM ARAMCO'S GOVERNMENT AFFAIRS OFFICER IN RIYADH THAT ALL NEW VISA APPLICATIONS FOR KOREANS MUST BE APPROVED PERSONALLY BY MINISTER OF INTERIOR. THIS IS PARTIALLY CONFIRMED BY LEADING LIMITED OFFICIAL USE

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LOCAL BUSINESS MAN WHO, WHEN IN RIYADH LAST MONTH PURSUING APPLICATION OF VISA APPLICATIONS OF 750 FILIPINOS, OVERHEARD SENIOR MINISTER OFFICAL TELL ANOTHER BUSINESSMAN

THAT NO KOREAN VISAS ARE BEING ISSUED. ONE US COMPANY, WHICH OBTAINED PERMISSION IN MARCH TO IMPORT 800 KOREANS , STATES THAT MANY OF ITS MEN ARE READY TO LEAVE KOREA BUT THAT THEY ARE HAVING TO "SQUEEZE" THEM OUT A FEW AT A TIME. US COMPANY HAS NOT BEEN GIVEN A REASON AS TO WHY THE SAUDI VISA ISSUANCES ARE RUNNING SO SLOWLY. DIRECTOR-GENERAL OF RAILROAD ORGANIZATION WAS RECENTLY ASKED WHY THIS IS (IN CONTEXT OF PROBLEM PORT IS ENCOUNTERING IN BRINGING IN KOREANS) AND HE WOULD ONLY SAY "THERE ARE SPECULATIONS."

7. SPECULATIONS THERE ARE -- SUCH AS THAT CONTRACTORS WHO DO NOT HAVE ACCESS TO KOREAN LABOR POOL ARE PRESSING RIYADH TO SHUT THE DOOR TO COMPETITORS WHO ARE ABLE TO BRING HPPK KOREAN WORKMENT. BASICALLY, WE HEAR TIME AND TIME AGAIN, IT IS A QUESTION OF SECURITY. CONVERSATION THIS WEEK BETWEEN CONGENOFF AND SHEIKH AHMAD AL-GOSAIBI, LEADER OF LOCAL BUSINESS ESTABLISHMENT AND A MAJOR EMPLOYER IN EASTERN PROVINCE, BEST ILLUSTRATES THIS AWAKENING WARINESS. HE COMMENTED THAT HE IS ENCOUNTERING DIFFICULTY IN IMPORTING KOREAN WORKERS FOR STEVEDORING VENTURE HE HAS JUST CONCLUDED WITH KOREAN COMPANY. PROJECT ORIGINALLY CALLED FOR 1500 AND NOW SCALED DOWN TO 300. EVEN THEN, SHEIKH AHMAD NOTED, SAG HAS A HOLD ON VENTURE'S BLOCK VISA APPLICATION FOR KOREANS AND EVEN PERSONAL TELEPHONE CALL TO DEPUTY MINISTER OF INTERIOR HAS THAWED MATTER ONLY MODESTLY. AT THAT POINT IN CONVERSATION HE ASKED CONGENOFF IF KOREANS "CAN BE TRUSTED" AND THEN SWIRLED INTO A COMMENTARY ON HOW THEY SEEM TO MARCH FROM THE AIRCRAFT UPON ARRIVAL, "WEAR THE SME UNIFORMS," AND ALWAYS APPEAR UNSMILING. UNLIKE THE AMERICANS, HE CONCLUDED, THEY JUST DON'T MINGLE.

8. IN THIS REGARD, WE HAVE YET TO HEAR EXPRESSIONS OF CONCERN REGARDING USE OF AMERICANS RESIDENT HERE OR, FOR THAT MATTER, EUROPEANS. EMBASSY MANAMA'S 0966 (NOTAL) REPORTED THE EASE WITH WHICH IT AND THE SAUDI EMBASSY ON BAHRAIN RESOLVED FOR AMERICAN APPLICANTS THE SAUDI SUSPENSION OF VISA ISSUANCES WHICH HAD AFFECTED AMERICANS AND ALL OTHER NATIONALITIES. IT IS LIMITED OFFICIAL USE

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ONE INCIDENT, AND WE CAN PROVIDE OTHERS, THAT THERE IS LITTLE CONCERN REGARDING THE NUMBER OF AMERICANS HERE (WHICH MAY BE DOUBLE THE NUMBER OF KOREANS). RATHER, THE THRUST OF THE SAUDI RESTRICTIONS ON VISA ISSUANCES SEEMS TO HAVE BEEN DIRECTED AT ASIANS, PARTICULARLY THOSE FROM THE SUBCONTINENT.

9. COMMENT: THIS PART OF SAUDI ARABIA MAY BE ON VERGE OF THE ANTI- "GASTARBEITER" VIRUS THAT SWEPT SWITZERLAND NOT LONG AGO. WE HEAR MANY SAUDIS QUESTION WHETHER THE PRICE OF ECONOMIC DEVELOPMENT IS REALLY WORTH THE INTRUSION OF SO MANY FOREIGNERS FROM LDC'S INTO THEIR CITIES AND LIFE STYLE. IN THE CASE OF THE KOREANS, THE REACTION OF THE SAUDIS TO THEIR PRESENCE HERE BEARS CLOSE ATTENTION. WE SHALL CONTINUE TO MONITOR THE SITUATION AND DISCREETLY SEEK A FULLER EXPLANATION AS TO WHY SAG IS RELUCTANT TO ISSUE KOREANS WORK VISAS.
BUSHNELL UNQTE KISSINGER

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